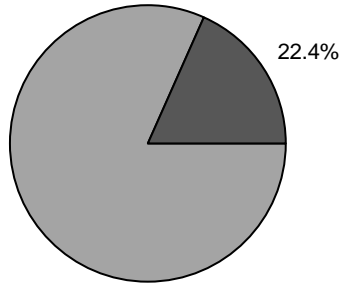


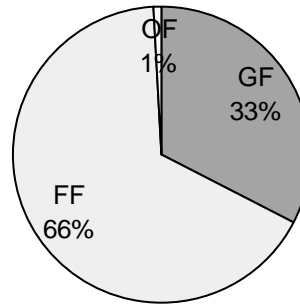
FY2007 Budget Briefing

Department of Social Services

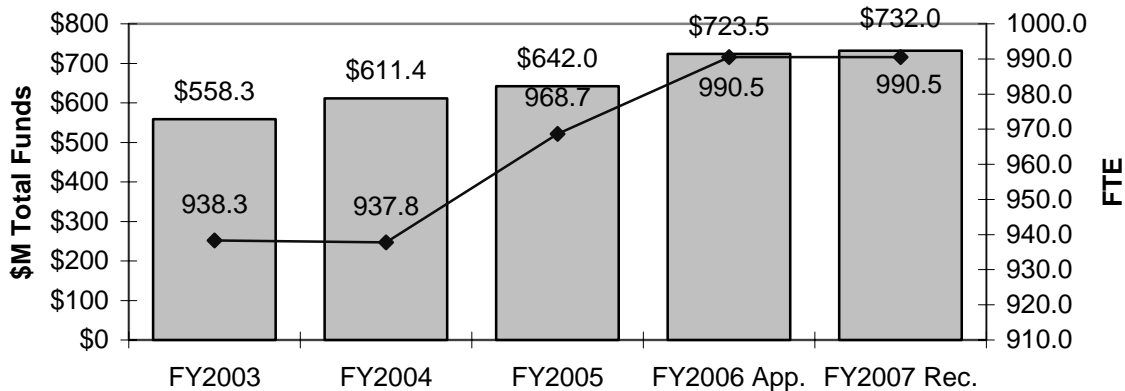
Agency's Share of Total
Recommended
State General Fund FY2007



Agency's Funding Source Split FY2007 Recommended



Budget History



Key Responsibilities

- The Department of Social Services aids individuals and families by fostering independence and personal responsibility; protecting people; providing opportunities for individuals to achieve their full potential; and promoting healthy families and safe communities.

Key Personnel

- Deb Bowman, Secretary
- Brenda Zeltinger, Finance Officer

Department Total – Social Services

The Department of Social Services FY2006 recommended budget consists of \$238,882,258 from the General Fund, \$486,210,105 from federal funds, \$6,905,613 from other funds, and 990.5 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	39,508,032	43,021,314	43,021,316	44,803,271	1,781,957	4.1%
Travel	1,769,495	1,901,044	1,955,581	1,866,465	(34,579)	-1.8%
Contractual Services	20,787,703	29,142,880	38,582,317	37,551,501	8,408,621	28.9%
Supplies and Materials	2,954,018	3,218,675	3,182,151	3,182,151	(36,524)	-1.1%
Grants and Subsidies	573,006,572	645,092,204	641,350,925	643,483,873	(1,608,331)	-0.2%
Capital Outlay	4,051,268	1,072,351	1,072,351	1,072,351	-	0.0%
Other	50,322	38,364	38,364	38,364	-	0.0%
TOTAL	642,127,410	723,486,832	729,203,005	731,997,976	8,511,144	1.2%
Funding Sources:						
General Funds	197,266,359	220,047,890	238,688,752	238,882,258	18,834,368	8.6%
Federal Funds	438,926,962	495,797,786	484,041,892	486,210,105	(9,587,681)	-1.9%
Other Funds	5,934,089	7,641,156	6,472,361	6,905,613	(735,543)	-9.6%
TOTAL	642,127,410	723,486,832	729,203,005	731,997,976	8,511,144	1.2%
FTE	968.7	990.5	990.5	990.5	-	0.0%

REORGANIZATION: A reorganization occurred in the Department of Social Services' FY2007 budget. The agency states the key objective of the budget reorganization was to align the budget structure with the current organizational structure. Specifically, Program Management was eliminated and rolled into Administration to combine all departmental support functions into one budget. A new division of operations and technology was created in Administration to address evolving operating and technology needs. Energy Assistance was combined into Economic Assistance. Medical Services and Adult Services and Aging were combined into a new Medical and Adult Services. Child Support, Child Protection Services and Child Care were all combined into a new Children's Services.

SALARY POLICY

The Governor's recommendation throughout this analysis also includes funding for Performance And Compensation Equity (PACE) movement of 2.5% for those employees who are paid under the job-worth of their pay range, a 3% across-the-board increase for all permanent employees, and an increase in the employer paid portion of the state health insurance plan. The recommended amounts for each segment of the compensation package are as follows:

	General Funds	Federal Funds	Other Funds	Total
2.5% PACE Movement	201,547	326,620	15,556	543,723
3% Across-the-Board	416,765	684,339	37,230	1,138,334
Health Insurance	113,571	187,096	9,268	309,935
Total	731,883	1,198,055	62,054	1,991,992

Major Expansion and Reduction

Budget Item	Agency Request			Governor's Recommendation		
	State General Fund	All Funds *	FTE	State General Fund	All Funds *	FTE
A. FMAP	8,689,909	0	0.0	8,689,909	0	0.0
B. Provider Inflation	5,335,739	14,352,969	0.0	8,892,898	23,921,616	0.0
C. Administration:						
travel		22,000	0.0		22,000	0.0
MMIS System		9,000,000	0.0		8,000,000	0.0
D. Economic Assistance:						
kinship care		296,228	0.0		296,228	0.0
E. Medical & Adult Services:						
school based administration center		1,000,000	0.0		1,000,000	0.0
increased clients		6,285,179	0.0		6,285,179	0.0
FY06 excess base		(6,841,380)	0.0		(6,841,380)	0.0
increased utilization		3,255,674	0.0		3,255,674	0.0
cost avoidance		(3,000,000)	0.0		(3,000,000)	0.0
nursing facilities		669,532	0.0		669,532	0.0
Medicare Part D		(25,845,520)			(25,845,520)	
Total Change	14,025,648	(805,318)	0.0	17,582,807	7,763,329	0.0
* All funds may include General Funds as a breakdown was not always available.						

A. FMAP: An increase of **\$8,689,909** from the State General Fund is necessary due to a change in the FMAP (Federal Medical Assistance Percentage) rate. This change results in an appropriation shift to the State General Fund from federal funds.

<u>Division</u>	<u>Amount</u>
Economic Assistance	7,337
Medical & Adult Services	8,209,949
Children's Services	472,623
DEPARTMENT TOTAL	\$8,689,909

B. 3% Provider Inflation: The Governor recommends a provider inflation increase of 3% equating to **\$23,921,616** from all funds. The department initially requested a 1.8% provider inflation increase.

<u>Division</u>	<u>General Funds</u>	<u>Total</u>
Economic Assistance	81,221	81,221
Medical & Adult Services	8,188,356	22,520,747
Children's Services	623,321	1,319,648
DEPARTMENT TOTAL	\$8,892,898	\$23,921,616

C. Administration:

An increase of **\$22,000** from federal and general funds is recommended for travel for two Operations Specialists' travel to field offices. The agency anticipates two to three trips to each office as well as 17 day trips by air. A trip for two to Washington DC to the ACF Users Conference is also planned. The increase includes mileage, airfare, lodging and per diem.

An increase of **\$8,000,000** from federal funds is recommended for development of a new Medicaid Management Information System (MMIS) system. The agency indicates the current MMIS system is 30 years old and deficient in performance of operations lacking in edits, and crosschecks, and is difficult to maintain. In addition, there are federal requirements for a national provider identification number that necessitate a major system overhaul or replacement. The system is budgeted at \$10,000,000; however, the agency proposes a one-time reduction from the FY2006 operating budget for the acquisition of a technical assistance contractor for analysis of the MMIS system. The agency indicates the technical assistance contractor was hired in November and it is unknown at this time if any additional funding will be needed beyond FY2007. The agency originally requested \$9,000,000.

D. Economic Assistance:

An increase in TANF services of **\$296,228** is recommended for expansion of cash payments for Kinship placements. The agency anticipates 3,000 TANF cases per month, 4 UPP (Unemployed Parents Program) cases per month, and 35 TEA (Transitional Employment Assistance) cases per month.

E. Medical and Adult Services:

The Governor recommends an increase of **\$1,000,000** from federal funds for the school-based administration initiative which began in FY2005. The change increases the pass-through from \$5,000,000 to \$6,000,000. The initiative allows the Medical Assistance Program to pass-through federal funding to local school districts for administrative activities for Medicaid eligible children. This is additional revenue for the school districts.

The Governor recommends an increase of **\$6,285,179** for increased clients in the Medical and Adult Services Division.

The Governor recommends a reduction of **(\$6,841,380)** resulting from an excess in the FY2006 base budget. The agency states that when the FY2006 budget was built for medical services, FY2004 was the last full year of claims history available. FY2004 expenditures in inpatient and outpatient hospital were very high which resulted in the excess in the FY2006 base.

The Governor recommends an increase of **\$3,255,674** for increased utilization of Medical and Adult Services.

The Governor recommends a reduction of **(\$3,000,000)** resulting from cost avoidance initiatives. The savings are a result of obtaining health insurance information from private health insurers.

The Governor recommends an increase of **\$669,532** for nursing facilities due to the increase in case mix weights reflecting increasing care needs of residents.

Medicare Part D: The Governor recommends an overall reduction of \$25,845,520 from federal funds due to the implementation of the new Medicare Part D. Clawback payments are estimated to be \$13,874,989 from the State General Fund which is offset by the previous budget for the match rate for dual eligibles resulting in Medicare Part D having a neutral effect on the general fund.

Administration

The Administration Division manages and coordinates all other offices, programs, and activities in the agency. It provides the services of legal, statistical analysis, budgetary review, accounting and financial management, provider reimbursement and audits, electronic benefits, and operations technology services.

The total recommended budget for Administration consists of \$6,292,158 from the General Fund, \$18,739,661 from federal funds, and \$218,575 from other funds, for a total budget of \$25,250,394 and 166.7 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	5,777,257	6,490,974	6,490,974	6,792,334	301,360	4.6%
Travel	93,216	127,215	149,211	149,211	21,996	17.3%
Contractual Services	7,437,595	9,128,934	18,095,549	17,095,549	7,966,615	87.3%
Supplies and Materials	171,308	144,949	140,949	140,949	(4,000)	-2.8%
Grants and Subsidies	595	-	-	-	-	N/A
Capital Outlay	3,997,799	1,072,351	1,072,351	1,072,351	-	0.0%
Other	41	-	-	-	-	N/A
TOTAL	17,477,811	16,964,423	25,949,034	25,250,394	8,285,971	48.8%
Funding Sources:						
General Funds	6,815,272	6,244,144	7,164,913	6,292,158	48,014	0.8%
Federal Funds	10,295,851	10,477,115	18,565,546	18,739,661	8,262,546	78.9%
Other Funds	366,688	243,164	218,575	218,575	(24,589)	-10.1%
TOTAL	17,477,811	16,964,423	25,949,034	25,250,394	8,285,971	48.8%
FTE	159.5	166.7	166.7	166.7	-	0.0%

Revenues

	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	% change from FY04
No revenues reported					

- An increase of **\$22,000** from federal and general funds is recommended for travel for two Operations Specialists' travel to field offices. The agency anticipates two to three trips to each field office as well as 17 day trips by air. A trip for two to Washington, DC, to the Administration for Children & Families (ACF) Users Conference is also planned. The increase includes mileage, airfare, lodging and per diem.
- An increase of **\$8,000,000** from federal funds is recommended for development of a new Medicaid Management Information System (MMIS) system. The agency indicates the current MMIS system is 30 years old and deficient in performance of operations, lacking in edits and crosschecks, and is difficult to maintain. In addition, there are federal requirements for a national provider identification number that necessitate a major system overhaul or replacement. The system is budgeted at \$10,000,000; however, the agency proposes a one-time reduction from the FY06 operating budget for the acquisition of a Technical Assistance Contractor for analysis of the MMIS system. The agency indicates the technical assistance contractor was hired in November and the amount of any budget that may be necessary beyond FY2007 is unknown at this time. The agency originally requested \$9,000,000.

Selected Performance Indicators

	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
FAIR HEARINGS REQUESTED:	444	398	400	400
LEGAL SERVICES:				
Completed Risk Assessments	201	220	225	220
Risk Assessments Pending	139	101	75	60
Supreme Court Appeals	47	43	45	45
Fair Hearing	30	33	35	35
Fair Hearing Appeals	n/a	8	10	10
Prosecution of Child Abuse Criminal	16	15	25	30
Prosecution of Abuse / Neglect Civil	5	15	10	10
Post-Trial Actions Criminal / Civil	n/a	3	4	4
RECOVERIES and INVESTIGATIONS:				
Investigations Assigned	705	739	800	850
Tips Completed	405	535	650	700
Tips Substantiated	237	313	385	415
Fraud Prevention Investigations Completed	79	93	120	130
Fraud Prevention Investigations Substantiated	61	73	100	110
Investigations Completed	565	691	775	840
Fraud Prosecution - AFDC, FS, Med.	11	19	20	24
Dollars Recovered	\$175,368	\$405,745	\$450,000	\$500,000
State Share of Dollars Recovered	\$63,035	\$146,068	\$162,000	\$180,000
Cost Avoidance Realized	\$723,544	\$856,332	\$950,000	\$1,000,000
Disqualifications	150	115	130	150
General Recovery (Nonfraud):Dollars Recovered	\$31,357,625	\$29,802,504	\$34,000,000	\$25,000,000
State Share of Dollars Recovered	\$10,832,584	\$10,728,901	\$12,240,000	\$8,625,000
ELECTRONIC BENEFITS TRANSFER:				
Authorized Retailers	538	543	547	550
Account Deposits	247,345	260,249	273,261	286,924
Sales Tax on Food Refund account deposits		18,004	18,904	19,849
DSS/Child Support account deposits		74,224	75,708	77,222
DSS/Direct Deposit (transition from warrants)	216,513	285,361	291,065	296,853
Optional State Supplement	22,650	23,230	23,694	24,167
Assisted Living	3,494	2,789	2,844	2,870
Child Care	6,240	6,443	6,571	6,702
LIEAP	2,692	2,962	3,021	3,081
Child Support	175,237	243,383	248,250	253,215
SSIS	6,200	6,554	6,685	6,818
Medical Benefits Cards Produced	42,273	44,138	45,020	45,920
Medical Providers #		754	757	760
Verification Transactions (Medical Benefits Card)		573,276	584,740	596,342
Point of Sale (Medical Benefits Card)		224,184	228,667	233,240
Web-based (Medical Benefits Card)		297,024	302,964	309,023
3rd Party (Medical Benefits Card)		52,068	53,109	54,079
PROVIDER REIMBURSEMENT and AUDITING:				
Audits Performed:				
Nursing Facilities Desk/Field	111/12	110/12	109/10	109/12
A-133 Audits Desk Reviewed	34	27	30	30
Group & Residential Facilities	0	0	15	5

Economic Assistance

The Economic Assistance division provides financial, medical, food, and energy assistance to eligible people to enable them to achieve and maintain a reasonable standard of living.

The total recommended budget for Economic Assistance consists of \$19,678,266 from the General Fund, and \$41,982,357 from federal funds, for a total budget of \$61,660,623 and 315.5 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	12,193,033	13,572,932	13,572,933	14,205,003	632,071	4.7%
Travel	320,412	369,713	369,713	369,713	-	0.0%
Contractual Services	2,052,651	1,988,850	1,996,875	1,996,875	8,025	0.4%
Supplies and Materials	909,402	986,323	1,000,391	1,000,391	14,068	1.4%
Grants and Subsidies	39,274,634	43,869,757	44,246,647	44,088,641	218,884	0.5%
Capital Outlay	1,297	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	54,751,429	60,787,575	61,186,559	61,660,623	873,048	1.4%
Funding Sources:						
General Funds	19,622,172	19,312,255	19,564,598	19,678,266	366,011	1.9%
Federal Funds	35,129,257	41,475,320	41,621,961	41,982,357	507,037	1.2%
Other Funds	-	-	-	-	-	N/A
TOTAL	54,751,429	60,787,575	61,186,559	61,660,623	873,048	1.4%
FTE	301.5	315.5	315.5	315.5	-	0.0%

Revenues

Other Fund Revenue Source	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	% change from FY04
None provided					

- An increase in TANF services of **\$296,228** is recommended for expansion of cash payments for Kinship placements. The agency anticipates 3,000 TANF cases per month, 4 UPP (Unemployed Parents Program) cases per month, and 35 TEA (Transitional Employment Assistance) cases per month.
- 3% provider inflation for the Economic Assistance Division is **\$81,221** (\$81,221 General Fund)
- FMAP change (-federal + general) for Economic Assistance Division is **\$7,337**.

Selected Performance Indicators

	<u>ACTUAL</u> <u>FY 2004</u>	<u>ACTUAL</u> <u>FY 2005</u>	<u>ESTIMATED</u> <u>FY 2006</u>	<u>ESTIMATED</u> <u>FY 2007</u>
ENERGY ASSISTANCE				
Weatherization:				
Homes Weatherized/Average Cost	1,231 / \$2,615	1,235 / \$2,448	1,250 / \$2,744	1,250 / \$2,805
Elderly Households Served	492	495	575	575
Energy Assistance:				
Households Served/Elderly Households Served	16,768 / 6,373	17,573 / 6,750	18,197 / 6,900	18,821 / 6,750
Average Payment per Household	\$506	\$569	\$585	\$593
Grants to Individuals and Vendors	\$8,487,109	\$10,003,791	\$10,659,720	\$11,167,706
Community Assist. Individuals Served	30,159	35,654	35,000	35,000
MEDICAL ELIGIBILITY				
Total Avg Persons Eligible (XIX & XXI)	95,043	97,810	99,920	101,721
Aged/Blind	5,876/97	5,732/94	5,570/94	5,415/94
Disabled Adults/Disabled Children	10,558/2,368	10,770/2,372	11,026/2,372	11,281/2,372
Low Income Family (LIF) Adults/LIF Children	10,778/18,334	11,015/19,151	11,646/19,548	12,247/ 19,856
DSS and DOC Foster Care Children	3,154	3,283	3,349	3,402
Pregnant Women (Pregnancy Related Serv.)	1,855	1,856	1,803	1,765
Medical Programs for Low Income Children:				
Title XIX Funded	29,813	30,376	31,925	31,412
Title XXI Funded<140%/140-200% of FPL	7,535/2,018	8,189/2,228	8,420/2,293	8,553/2,329
Medicare Savings Program - QMB	2,634	2,753	2,874	2,995
Supplemental Medical Insurance (Buy-In):				
Medicare Savings Program-SLMB & QI-1	1,329/586	1,379/611	1,434/605	1,484/625
Total Medicare Part A/B Buy-In Recipients	706/13,953	812/14,216	966/14,539	1,110/14,862
Renal Disease	9	9	9	9
State Supplements to SSI:				
Mandatory Supplement Cases/Payment	10/\$47.60	9/\$35.26	9/\$35.26	11/\$57.62
Optional State Supplement Cases/Payment	3,379/\$14.60	3,396/\$14.60	3,416/\$14.60	3,464/\$14.53
FOOD & NUTRITION PROGRAMS:				
Food Stamp (FS) Benefits Issued	\$53,217,133	\$54,153,164	\$63,671,184	\$68,668,986
FS Certified Households/Persons Ave/Mo	21,124/53,609	21,684/55,031	24,627/60,393	27,879/65,766
FS Nutrition Education Plan Direct Contacts				29,199
FS Nutrition Ed Plan Indirect Contacts				102,309
FS: Community Service/OJT Training	25/2	28/1	28/2	28/2
FS: Secondary Education	29	35	38	38
FS: Job Search	521	475	500	500
FS: Annual Job Placements	2,208	2,260	2,275	2,275
TANF CASES (Per Mo./Avg. Pay)	2,759/\$340.76	2,758/\$347.37	3,003/\$363.32	3,004/\$363.32
TANF Parent Cases (Average per Month)	1,039	1,003	1,050	1,050
Community Service/On-the-Job Training	436/17	440/27	450/30	450/30
Job Search/Secondary Education	99/80	91/84	100/90	100/90
Vocational Education	86	81	90	90
Combined Work and Education Activity	24	28	33	33
Diversion	171	154	165	165
Diversion Payments/Ave. Cost per payment	14/\$455.81	11/\$446.83	15/\$450.00	15/\$450.00
Annual Job Placements	1,567	1,569	1,575	1,575
AUXILIARY PLACEMENT:				
Children Served	629	642	654	665
DOC Children/CPS & Auxiliary Children	223/406	238/404	242/412	245/420

Medical and Adult Services

The Medical Services division provides medical assistance to eligible South Dakotans under Medicaid (Title XIX of the Social Security Act). It also provides a range of in-home and community based services to older adults in accordance with the Older Americans Act as well as administering the Victim Assistance programs.

The total recommended budget for Medical and Adult Services consists of \$193,054,713 from the General Fund, \$370,991,150 from federal funds, and \$2,830,649 from other funds, for a total budget of \$566,876,512 and 134.5 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	5,963,647	6,281,280	6,281,281	6,572,334	291,054	4.6%
Travel	259,829	299,465	302,536	302,536	3,071	1.0%
Contractual Services	5,310,891	10,936,262	11,385,818	11,385,818	449,556	4.1%
Supplies and Materials	427,885	463,324	489,882	489,882	26,558	5.7%
Grants and Subsidies	488,044,018	550,696,848	545,364,393	548,125,942	(2,570,906)	-0.5%
Capital Outlay	57	-	-	-	-	N/A
Other	-	-	-	-	-	N/A
TOTAL	500,006,327	568,677,179	563,823,910	566,876,512	(1,800,667)	-0.3%
Funding Sources:						
General Funds	153,776,212	176,510,528	191,984,753	193,054,713	16,544,185	9.4%
Federal Funds	345,282,733	388,947,208	369,062,544	370,991,150	(17,956,058)	-4.6%
Other Funds	947,382	3,219,443	2,776,613	2,830,649	(388,794)	-12.1%
TOTAL	500,006,327	568,677,179	563,823,910	566,876,512	(1,800,667)	-0.3%
FTE	137.4	134.5	134.5	134.5	-	0.0%

Revenues

	<u>Actual FY2004</u>	<u>Actual FY2005</u>	<u>Estimated FY2006</u>	<u>Estimated FY2007</u>	<u>% change from FY04</u>
None provided					

- FMAP (Federal Medical Assistance Percentage) is the percentage of federal matching funds a state gets for its Medicaid Program. It is calculated based on a three-year average of state per capita personal income compared to the national average. South Dakota's FMAP rate is going down because its personal income is going up.

Year	State %	Federal %	For every SD dollar, CMS matches with:
2007	36.54%	63.46%	\$1.74
2006	34.69%	65.31%	\$1.88
2005	34.06%	65.94%	\$1.94
2004 - Fiscal Relief-first 3 quarters of FFY	31.38%	68.62%	\$2.19
2004 - Original	34.33%	65.67%	\$1.91
2003 - Fiscal Relief-final 2 quarters of FFY	31.12%	68.88%	\$2.21
2003 - Original	34.71%	65.29%	\$1.88
2002	34.07%	65.93%	\$1.94
2001	31.69%	68.31%	\$2.16

- The Governor recommends an increase of **\$1,000,000** from federal funds for the school-based administration initiative which began in FY05. The change increases the pass-through from \$5,000,000 to \$6,000,000. The initiative allows the Medical Assistance Program to pass-through federal funding to local school districts for administrative activities for Medicaid eligible children. This is additional revenue for the school districts.
- The Governor recommends an increase of **\$6,285,179** for increased clients in the Medical and Adult Services Division.
- The Governor recommends a reduction of **(\$6,841,380)** resulting from an excess in the FY06 base budget. The agency states that when the FY06 budget was built for medical services, FY04 was the last full year of claims history available. FY04 expenditures in inpatient and outpatient hospital were very high which resulted in the excess in the FY06 base.
- The Governor recommends an increase of **\$3,255,674** for increased utilization of Medical and Adult Services.
- The Governor recommends a reduction of **(\$3,000,000)** resulting from cost avoidance initiatives. The savings are a result of obtaining health insurance information from private health insurers.
- The Governor recommends an increase of **\$669,532** for nursing facilities due to the increase in case mix weights reflecting increasing care needs of residents.
- Medicare Part D: The Governor recommends an overall reduction of \$25,845,520 from federal funds due to the implementation of the new Medicare Part D. Clawback payments are estimated to be \$13,874,989 from the State General Fund which is offset by the previous budget for the match rate for dual eligibles resulting in Medicare Part D having a neutral effect on the general fund.
- An increase of **\$22,520,747** (\$8,188,356 General Fund) for Medical and Adult Services 3% provider inflationary increase.
- The FMAP change for Medical and Adult Services (-federal +general funds) is **\$8,209,949**.

Selected Performance Indicators

	ACTUAL FY 2004	ACTUAL FY 2005	ESTIMATED FY 2006	ESTIMATED FY 2007
MEDICAL SERVICES (Avg Persons Eligible):				
Aged/Blind	5,876/97	5,732/94	5,570/94	5,415/94
Disabled Adults/Children	10,558/2,368	10,770/2,372	11,026/2,372	11,281/2,372
Low Income Family (LIF) Adults/Children	10,778/18,334	11,015/19,151	11,646/19,548	12,247/19,856
Foster Care Children	3,154	3,283	3,349	3,402
Pregnant Women	1,855	1,856	1,803	1,765
Catastrophic (QMB)	2,634	2,753	2,874	2,995
Medical Services Programs for Children:				
Title XIX Funded	29,813	30,376	30,925	31,412
Title XXI Funded, Under 140% of FPL	7,535	8,189	8,420	8,553
Title XXI Funded 140%-200% of FPL	2,018	2,228	2,293	2,329
Total Title XIX Eligibles	85,490	87,393	89,207	90,839
Total Title XXI Eligibles	9,553	10,417	10,713	10,882
Total Avg. Persons Eligible (XIX & XXI)	95,043	97,810	99,920	101,721
Total Average Cost Per Title XIX Eligible	\$3,683	\$3,765	\$3,882	\$3,828
Average Cost Per Title XIX Eligible by Service:				
Physicians	\$579	\$602	\$649	\$697
Inpatient Hospital	\$936	\$849	\$967	\$994
Outpatient Hospital	\$308	\$331	\$356	\$386
Prescription Drugs	\$744	\$757	\$636	\$425
All Other Services	\$1,116	\$1,226	\$1,274	\$1,326
Program Utilization:				
Physician Services	26.98/\$171.78	26.61/\$181.28	27.22/\$192.95	27.58/\$207.01
Inpatient Hospital	1.63/\$4,913.37	1.60/\$4,538.64	1.63/\$4,946.29	1.63/\$5,115.64
Outpatient Hospital	6.60/\$388.81	6.81/\$404.95	7.26/\$408.27	7.64/\$420.49
Other Medical	3.26/\$260.96	3.13/\$273.24	3.23/\$286.93	3.23/\$295.54
Chiropractic Services	.91/\$34.76	1.04/\$34.14	1.04/\$34.76	1.04/\$35.80
Medicare Crossover Claims (All Services)	7.32/\$145.08	8.25/\$160.53	8.49/\$169.79	8.49/\$179.59
Indian Health Services	21.89/\$460.28	21.21/\$451.96	22.04/\$533.89	22.04/\$533.89
Prescription Drugs:				
Avg. Utilization/Prescriptions Per Month	31.52/4.12	31.69/4.13	26.42/3.52	26.80/2.93
Average Cost Per Prescription	\$60.35	\$63.19	\$67.52	\$72.15
Adult Services:				
Average Eligible Clients	29,187	29,467	30,331	30,802
Dental Average Utilization/Cost	100/\$5.00	100/\$5.97	100/\$5.97	100/\$7.04
Optometrist Average Utilization/Cost	3.07/\$89.00	2.90/\$90.52	2.95/\$90.79	2.95/\$93.51
Children's Services (EPSDT)				
Avg. Children - LIF/Foster Care	18,334/3,154	19,151/3,283	19,548/3,349	19,856/3,402
Expanded Medical / Disabled	29,813/2,368	30,367/2,372	30,925/2,372	31,412/2,372
Avg. Monthly Utilization/Cost:				
Screening	1.64/\$45.27	1.75/\$64.50	1.75/\$64.50	1.75/\$66.44
Dental Services	100/\$7.97	100/\$9.52	100/\$9.52	100/\$11.22
Optometric Services	2.69/\$84.78	2.55/\$83.19	2.46/\$84.34	2.46/\$86.87
Treatment Services	1.39/\$733.61	1.40/\$711.43	1.41/\$772.95	1.41/\$777.48
Supplemental Medical Insurance (Buy-In):				
Part A Recipients/Premium	706/\$336.92	812/\$377.18	966/\$385.86	1,110/\$407.33
Part B Recipients/Premium	13,953/\$67.36	14,216/\$78.59	14,539/\$82.88	14,862/\$92.68
Balance Budget Act Expanded SMI	586/\$62.68	611/\$72.33	605/\$91.68	625/\$107.49

	<u>ACTUAL</u> <u>FY 2004</u>	<u>ACTUAL</u> <u>FY 2005</u>	<u>ESTIMATED</u> <u>FY 2006</u>	<u>ESTIMATED</u> <u>FY 2007</u>
Childrens Care Hospital:				
Avg. Residents/Per Diem Paid	63/\$279.89	55/\$356.90	65/\$362.32	65/\$373.19
Renal Disease:				
Avg. Monthly Eligibles	9	9	9	9
Avg. Monthly Cost Per Eligible	\$205.25	\$230.89	\$355.44	\$355.44
Managed Care Program Participants:				
Eligibles/Physicians in Primary Care	70,153/657	72,213/659	74,333/659	76,516/659
Claims Processing:				
Claims Processed	4,558,942	4,687,262	4,819,194	4,954,840
Claims Processed Per Eligible Person	48	48	48	48
Catastrophic County Poor Relief:				
Claims Reviewed and Approved	20	14	20	20
Participating Counties	60	61	61	61
Total Paid Out	\$349,891	\$189,892	\$600,000	\$600,000
Counties Requesting Reimbursement	10	5	12	12
Claims Priced Under Medicaid	616	760	700	700
Claims Reviewed	22	27	25	25
ADULT SERVICES AND AGING:				
Medical Review:				
Title XIX Level of Care Determinations/				
Redeterminations	7,517	5,937	6,100	6,300
Case-Mix Validation Reviews	1,328	2,219	1,900	2,000
Avg. Monthly Cases/Unduplicated Clients	5,998/10,209	6,377/9,794	6,250/10,000	6,250/10,000
Elderly/Adult In-Home Services:				
Homemaker Services Clients (Unduplicated)	4,059	4,321	4,400	4,400
Direct Care/Contracted Hours	983/305,648	686/288,893	1,000/300,000	1,000/294,675
Personal Care Clients Served	914	952	950	950
Direct Care/Contracted Care Hours	1,752/83,559	1,399/82,712	1,500/89,000	1,500/88,000
Title XIX Waiver Program Unduplicated Clients	665	978	950	1,000
Respite Care / Caregiver Program				
Unduplicated Clients	1,512	1,271	1,300	1,300
Older Americans Act Programs:				
Adult Day Care Hours/Clients	69,885/158	59,058/142	65,000/175	65,000/175
Transportation--Trips/Clients	434,326/9,221	421,415/9,608	425,629/9,704	425,629/9,704
Legal Services Hours/Clients	2,939/654	2,241/535	3,200/850	3,200/850
Adult Protective Services Investigations	305	346	350	350
Ombudsman Complaints Investigated	799	689	750	770
Guardianship/Rx Access Clients Served	61/2,450	61/2,481	75/2,500	85/650
Health Ins. Counseling Hours/Clients	574/397	1,484/3,656	2,500/5,000	2,000/4,000
Elderly Nutrition Program:				
Congregate Meals/Clients Served	1,142,602/10,714	1,109,867/10,714	1,122,861/10,613	1,122,861/10,613
Home Delivered Meals/Clients Served	493,491/4,167	496,654/4,167	528,405/4,653	528,405/4,653
Institutional Services (ave clients paid/day):				
Nursing Facilities/Assisted Living Centers	3,928/694	3,941/690	3,954/810	3,978/876
Adult Foster Care	12	11	15	15
Domestic Abuse Program:				
Unduplicated Victims Served/Sheltered	14,467/3,585	15,691/3,911	16,000/4,000	16,000/4,000
Shelter Days	52,056	59,239	60,000	60,000
STOP - Sexual Assault and Domestic Violence				
Cases Prosecuted/Number of Victims	1,600/1,684	1,429/1,588	1,600/1,800	1,600/1,800

Children's Services

The Children's Services division provides services to families in the areas of child support and enforcement, child protection services, and child care services.

The total recommended budget consists of \$19,857,121 from the General Fund, \$54,496,937 from federal funds and \$3,856,389 from other funds, for a total budget of \$78,210,447 and 373.8 FTEs.

Item	Actual FY2005	Approved FY2006	Agency Req. FY2007	Gov. Rec. FY2007	Change from FY2006	% Change from FY2006
Personal Services	15,574,096	16,676,128	16,676,128	17,233,600	557,472	3.3%
Travel	1,096,039	1,104,651	1,134,121	1,045,005	(59,646)	-5.4%
Contractual Services	5,986,567	7,088,834	7,104,075	7,073,259	(15,575)	-0.2%
Supplies and Materials	1,445,423	1,624,079	1,550,929	1,550,929	(73,150)	-4.5%
Grants and Subsidies	45,687,324	50,525,599	51,739,885	51,269,290	743,691	1.5%
Capital Outlay	52,114	-	-	-	-	0.0%
Other	50,280	38,364	38,364	38,364	-	0.0%
TOTAL	69,891,843	77,057,655	78,243,502	78,210,447	1,152,792	1.5%
Funding Sources:						
General Funds	17,052,703	17,980,963	19,974,488	19,857,121	1,876,158	10.4%
Federal Funds	48,219,120	54,898,143	54,791,841	54,496,937	(401,206)	-0.7%
Other Funds	4,620,020	4,178,549	3,477,173	3,856,389	(322,160)	-7.7%
TOTAL	69,891,843	77,057,655	78,243,502	78,210,447	1,152,792	1.5%
FTE	370.4	373.8	373.8	373.8	-	0.0%

Revenues

Other Fund Revenue Source	Actual FY2004	Actual FY2005	Estimated FY2006	Estimated FY2007	% change from FY04
Income Withholding	\$39,449,413	\$41,579,689	\$43,700,000	\$46,100,000	16.9%
Direct from Absent Parents	11,725,641	13,018,203	13,900,000	14,600,000	24.5%
Non-DCS Collections	14,674,319	15,318,743	15,700,000	16,000,000	9.0%
IRS Tax Refund Offsets	4,209,548	4,191,294	4,200,000	4,200,000	-0.2%
Received from Other States	5,473,812	5,655,205	5,900,000	6,200,000	13.3%
Total	\$75,532,733	\$79,763,134	\$83,400,000	\$87,100,000	15.3%

- An increase of **\$1,319,648** (\$623,321 General Fund) for Children's Services 3% provider inflationary increase.
- The FMAP change for Children's Services (-federal +general funds) is **\$472,623**.

Selected Performance Indicators

	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
CHILD SUPPORT:				
Distribution of Collections:				
DCS Payments to Families	\$50,418,522	\$54,339,899	\$57,400,000	\$60,600,000
Non-DCS Payments to Families	\$14,674,319	\$15,318,743	\$15,700,000	\$16,000,000
DCS Payments to Other States	\$6,125,554	\$6,293,749	\$6,500,000	\$6,700,000
State Share of TANF/IVE Collected	\$1,484,711	\$1,297,037	\$1,300,000	\$1,300,000
Federal Share of TANF/IVE	\$2,829,627	\$2,513,706	\$2,500,000	\$2,500,000
Federal Incentive Payments	\$1,526,627	\$1,311,267	\$1,300,000	\$1,300,000
Total Cases:	40,128	41,790	43,000	44,400
TANF/IVE Cases	3,075	3,127	3,100	3,100
Non-TANF Cases	23,438	24,286	25,000	25,800
TANF/IVE Arrears Only Cases	6,541	6,682	6,600	6,600
Non-DCS Cases	7,074	7,695	8,300	8,900
Total Payments Processed	459,677	476,587	490,000	505,000
Total Payments Disbursed	409,763	404,834	410,000	425,000
Payments Disbursed Electronically	173,454	310,859	373,000	390,000
Payors - DCS Cases	25,801	26,592	27,200	27,900
Payors - Non-DCS Cases	3,439	3,390	3,600	3,700
Paternities Established	766	677	800	800
Voluntary Paternity Acknowledgements	2,588	2,845	2,900	3,000
Support Orders Established	2,678	2,457	2,500	2,550
Support Order Modifications Processed	2,753	2,572	2,700	2,800
Successful Enforcement Actions	33,232	33,692	34,000	34,500
AFDC/TANF Cases Closed With Collections	1,459	1,556	1,600	1,650
Customer Service Calls to Voice Response	588,324	754,280	800,000	850,000
Call Transfers to Customer Service Staff	n/a	64,321 (Jan-Jun)	140,000	150,000
Avg. Call Time - Customer Service Staff	n/a	4.63 minutes	5.00 minutes	5.00 minutes
CHILD PROTECTION SERVICES:				
All Types of Requests for Services	20,373	19,254	19,500	19,500
Abuse and Neglect (A/N) Requests for Svcs.	16,643	15,774	15,970	15,970
Assigned A/N Requests for Svcs./Children	4,947/8,748	4,324/7,729	4,312/7,654	4,312/7,654
Pending Assigned A/N Requests for Svcs.	1,043	537	500	500
Disposed A/N Requests for Svcs./Children	4,447/8,322	4,312/8,095	4,250/7,650	4,250/7,650
Children at Risk of Maltreatment	4,359	4,467	4,624	4,682
Children Requiring Removal from Home	2,385	1,419	1,480	1,498
Children Staying at Home Needing Services	1,874	2,349	2,450	2,481
Intensive Family Services	351	223	250	250
Adoption Subsidies:				
Mo. Avg Maintenance & Med./Med. Only	979/64	1,115/68	1,179/70	1,196/70
Annual Maintenance Cost Per Client	\$4,278	\$4,140	\$4,299	\$4,465
Subsidized Guardianships:				
Average Clients/Cost Per Year	87/\$3,860	116/\$3,797	129/\$3,890	148/\$3,986
Alternative Care Placements:				
Relative Placements Avg. Clients/Month	182	208	280	290
Avg. Out-of-Home Paid Placements/Month	1,243	1,249	1,296	1,317
Paid Placements--Mo. Avg. Clients/Avg. Cost:				
Basic Foster Care	622/\$396	613/\$408	646/\$442	646/\$456
Specialized Foster Care	76/\$686	83/\$712	85/\$759	91/\$792
Treatment Foster Care	82/\$1,675	88/\$1,668	90/\$1,710	93/\$1,761

	ACTUAL	ACTUAL	ESTIMATED	ESTIMATED
	<u>FY 2004</u>	<u>FY 2005</u>	<u>FY 2006</u>	<u>FY 2007</u>
Emergency Care	133/\$251	137/\$252	142/\$268	147/\$276
Group and Residential Care	257/\$3,486	232/\$3,802	235/\$3,720	240/\$3,836
Psychiatric Facilities for Children	73/\$5,053	96/\$6,356	98/\$6,025	100/\$6,206
Children Returned Home/Placed for Adopt.	767/137	731/130	768/130	768/130
Children Emancipated/Guardianships	52/62	74/116	80/129	80/148
Children Discharged to Relatives/Other Perman	65/160	92/170	97/170	102/170
Licenses Issued:				
Family Foster Homes/Child Placement Agcy	744/14	758/14	782/15	806/15
Group Homes/Residential Treatment	10/13	9/14	9/15	9/15
Shelter Care/Independent Living Programs	4/3	4/3	4/3	4/3
Intensive Residential Treatment Centers			4	5
CHILD CARE SERVICES:				
Child Care Assistance for TANF/AFDC Families:				
Average Monthly Cases	226	232	242	252
Average Monthly Children Served	420	396	435	454
Average Monthly Payment Per Case	\$325	\$317	\$341	\$341
Child Care Assistance for Non-TANF Families:				
Average Monthly Cases	2,382	2,498	2,624	2,756
Average Monthly Children Served	4,288	4,496	4,723	4,961
Average Monthly Payment Per Case	\$377	\$354	\$381	\$381
Children with Advanced Special Needs:				
Average Monthly Full-Time Slots	12	15	15	15
Average Monthly Payment Per Child	\$1,124	\$1,169	\$1,215	\$1,215
Child Care Quality Improvement Grants:				
Out-of-School Time (OST) Grants	33	34	34	38
OST Enhancement Grants	25	45	30	33
Health, Safety, and Equipment Grants	139	145	155	135
Child Care Licensing and Registration:				
Registered Family Day Care Providers	926	907	905	900
Licensed Group Family Day Care Centers	92	93	105	107
Licensed Day Care Centers	136	146	150	158
Licensed Out-of-School Time Programs	141	153	155	160

Other Departmental Issues

A. Interim Appropriation Actions

No interim appropriation actions were taken.

B. Agency Specific Questions

The following agency specific questions were asked by the committee to the Department:

1. Provide an update on the Food Tax Rebate Program, including statistics for the program, including the amount budgeted versus actual expenditures and FTEs.
2. Provide an update on the Medicaid Part D budget impact.
3. What is the status of hiring the new internal "constituent liaison" position. What FTE was used to create this new position?
4. What is the plan for spending down the TANF carry-over funds?
5. Why has the assistance authorized solely under prior law increased from \$3.3 million in FFY01 to \$9.8 million in FFY05?